

RECEIVED
JUN 15 2016
4:05 pm
CSISD
BUSINESS OFFICE

Sealed Land Bid



PROSPERITY BANK®

MEMBER FDIC

CASHIER'S CHECK No. 1976226

REMITTER BARRACKS EXPANSION LLC
JW ***23.707 HOLLEMAN DRIVE***

Jun 15, 2016

PAY TO THE ORDER OF CSISD \$250,000.00

Two Hundred Fifty Thousand and 00/100***** DOLLARS

NOTICE TO CUSTOMERS
THE PURCHASE OF AN INDEMNITY BOND WILL BE REQUIRED
BEFORE THIS CHECK WILL BE REPLACED OR REFUNDED IN
THE EVENT IT IS LOST, MISPLACED OR STOLEN.

TWO SIGNATURES REQUIRED
[Signature] AUTHORIZED SIGNATURE
[Signature] AUTHORIZED SIGNATURE

⑈ 1976226 ⑆ ⑆ 13122655 ⑆ ⑆ 0413127 ⑆ ⑆



PROSPERITY BANK®

MEMBER FDIC

CASHIER'S CHECK No. 1976225

REMITTER BARRACKS EXPANSTON LLC
JW ***23.707 HOLLEMAN DRIVE***

Jun 15, 2016

PAY TO THE ORDER OF CSISD \$10,000.00

Ten Thousand and 00/100***** DOLLARS

NOTICE TO CUSTOMERS
THE PURCHASE OF AN INDEMNITY BOND WILL BE REQUIRED
BEFORE THIS CHECK WILL BE REPLACED OR REFUNDED IN
THE EVENT IT IS LOST, MISPLACED OR STOLEN.

TWO SIGNATURES REQUIRED
[Signature] AUTHORIZED SIGNATURE
[Signature] AUTHORIZED SIGNATURE

⑈ 1976225 ⑆ ⑆ 13122655 ⑆ ⑆ 0413127 ⑆ ⑆

PROSPERITY BANK®

1298 Arrington Road
College Station, TX 77845

Barracks Expansion, LLC



June 15, 2016

College Station Independent School District
1812 Welsh Avenue
College Station, TX 77845

Dear CSISD Board of Trustees,

First of all, we appreciate the opportunity to bid on this tract of land and all of the work that each of you put in to make a complex process like this happen.

In every deal that we pursue we spend a great amount of time considering the motivations of both ourselves and of the other party in the hopes of creating an outcome that is a "win" for both parties involved. Unfortunately for us, this bid and closing process comes at a time when most of our cash and credit line at the banks is tied up in construction activities that we will not close on until the August/September timeframe. Conversely, I think that we all can agree that this land is priced a little on the high side when considering the prices comparable properties have sold for.

That said, we are more than willing to pay the full list price for the property but in order to have it make financial sense for both our cash flow and to mitigate our holding costs, we need it be over an extended closing period. As you will see in the Addendum to the Bid Packet, we also included a second bid option that would be at a reduced price, but would be an expedited cash closing within the next week.

We do not pretend to know all of the motivations and timetables that the Board faces with making this decision and having it be the best possible for the CSISD, but hopefully one of these options closely aligns with the most ideal situation. We look forward to moving forward with this deal and please feel free to call me personally if you have any questions at (979) 229-5906.

Much appreciated,

A handwritten signature in black ink, appearing to read 'H K Phillips', written over a horizontal line.

Heath K. Phillips
President/CEO

College Station ISD
Board of Trustees
June 15, 2016
Page 2 of 2

Enc: Completed Bid Form
Addendum 'A'
Conflict of Interest Questionnaire (Exhibit D)
Affidavit of Non-Collusion (Exhibit E)
Felony Conviction Notice (Exhibit F)
Evidence of Authority to Sign
Loan Pre-Qualification Letter
Bid Deposit Cashier's Checks

College Station Independent School District
1812 Welsh, College Station, Texas 77840

BID FORM

Property: Approximately 23.707 acres of land located at southeastern corner of the intersection of Holleman Drive and Deacon W. Drive, College Station, Texas, as described on Exhibit A attached hereto

Bidder's Name: BARRACKS EXPANSION LLC

Bidder's Address: PO BOX 262
WELLBORN, TX 77881

Bidder's Phone: (979) 229-5906

Bidder's Email: HEATH@BARRACKSTOWNHOMES.COM

A completed bid should be placed in an envelope marked "SEALED LAND BID" and submitted to the **CSISD Business Office** by **10:00 AM CDT, June 16, 2016**. The contents of a complete bid will include the following:

- Completed Bid Form
- Conflict of Interest Questionnaire (Exhibit D)
- Affidavit of Non-Collusion (Exhibit E)
- Felony Conviction Notice (Exhibit F)
- Evidence of financial ability to pay the Purchase Price (if so elected)
- Bid Deposit (Cashier's Check to CSISD in amount of \$10,000.00)

Please note that the Cashier's Check will be returned if the bid is not selected.

In submitting this bid, I certify as follows:

1. The price offered in this Bid has been determined independently, without consultation, communication, or agreement for the purpose of restricting competition, as to any matter related to such price, with any other bidder or with any competitor.
2. I have read each of the Bid documents outlined in the RFB and agree to abide by the terms and conditions thereof.
3. I am familiar with the location and characteristics of the Property.

College Station Independent School District
1812 Welsh, College Station, Texas 77840

BID FORM (Page 2)

Property: Approximately 23.707 acres of land located at southeastern corner of the intersection of Holleman Drive and Deacon W. Drive, College Station, Texas, as described on Exhibit A attached hereto

Bidder's Name: BARRACKS EXPANSION LLC

Purchase Price

The purchase price herein offered for the Property as herein described is:

\$ SEE ADDENDUM 'A', to be paid in cash at the Closing of the sale of the Property.

Duration of Offer

Bidder hereby warrants that the bid constitutes a bona fide, firm, and irrevocable offer to purchase the real property herein described. Bidder recognizes that all bids received in conformity with the bid specifications and instructions will be evaluated by the Board of School Trustees of College Station Independent School District. Bidder further warrants that such offer shall be irrevocable until the later of (i) July 31, 2016, or (ii) forty-five (45) days after the Bid Deadline if the Bid Deadline is extended or otherwise revised by CSISD.

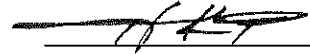
Contract

The bidder agrees to enter a contract with CSISD for the purchase of the property at the above-referenced Total Purchase Price under the terms of the form of contract attached hereto as Exhibit B. In the event the bidder desires to alter any of the terms of the form contract provided herein, Bidder may list proposed changes to be considered by CSISD on the following lines (or on additional pages if needed):

SEE ADDENDUM 'A' THAT BARRACKS EXPANSION LLC INCORPORATES
FULLY AS A PART OF THIS BID.

Bidder has received and read the instructions accompanying this bid.

Bidder: BARRACKS EXPANSION LLC

By: 
Name: HEATH K PHILLIPS
Title: PRESIDENT

DATED: this 15th day of JUNE, 2016

Addendum 'A'

Option A

- Purchase Price: Four Million One Hundred Thirty Thousand Seven Hundred Seven and No/100 Dollars (\$4,130,707.00).
- Closing Date: March 16, 2017 or upon fifteen (15) days' notice from Buyer (Barracks Expansion LLC)
- Earnest Money: \$10,000.00
- Appraisal Contingency: If Property does not appraise for the Purchase Price above, Buyer (Barracks Expansion LLC) at its sole option may: attempt to negotiate a new purchase price with Seller; pay the purchase price as indicated above; or, terminate the Contract. In the event that Buyer terminates the contract, Buyer shall receive a complete refund of all Earnest Money.

Option B

- Purchase Price: Two Million Five Hundred Thousand and NO/100 Dollars (\$2,500,000.00)
- Closing Date: June 24, 2016
- Earnest Money: \$250,000.00
- No Contingencies

Please indicate which option is accepted by initialing next to ONLY one prospective option and signing below.

College Station Independent School District

By: _____

Printed Name: _____

Title: _____

EXHIBIT D

Conflict of Interest Questionnaire

Pursuant to Section 176.006, a vendor must file a questionnaire if the vendor has a business relationship with a school district and has an employment or other business relationship with the superintendent, board member, or a family member of the superintendent or board member; or has given the superintendent or family member of the superintendent or school board member one or more gifts [other than political contributions, food, lodging, transportation, or entertainment accepted as a guest] that have an aggregate value of \$250. The completed questionnaire must be filed with the records administrator of the school district not later than the seventh business day after the later of the date the vendor begins discussions or negotiations to enter into a contract with the school district or submits to the school an application, bid, an RFB, or other written material related to a potential contract with the school district or the date the vendor becomes aware of an employment or other business relationship with the superintendent, board member, or family member of the superintendent or school board member or that the vendor has given one or more gifts to the superintendent, board member, or family member of the superintendent or school board member that have an aggregate value of \$250.

NOT APPLICABLE

CONFLICT OF INTEREST QUESTIONNAIRE		FORM CIQ
For vendor doing business with local governmental entity		
<p>This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.</p> <p>This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).</p> <p>By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.</p> <p>A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.</p>	OFFICE USE ONLY	
<p>1 Name of vendor who has a business relationship with local governmental entity.</p> 	<p>Date Received</p> 	
<p>2 <input type="checkbox"/> Check this box if you are filing an update to a previously filed questionnaire. (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)</p>		
<p>3 Name of local government officer about whom the information is being disclosed.</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">Name of Officer</p>		
<p>4 Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.</p> <p style="margin-left: 40px;">A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?</p> <p style="margin-left: 80px;"><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p style="margin-left: 40px;">B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?</p> <p style="margin-left: 80px;"><input type="checkbox"/> Yes <input type="checkbox"/> No</p>		
<p>5 Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.</p>		
<p>6 <input type="checkbox"/> Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).</p>		
<p>7</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">Signature of vendor doing business with the governmental entity Date</p>		

CONFLICT OF INTEREST QUESTIONNAIRE
For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm>. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

- (A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;
- (B) a transaction conducted at a price and subject to terms available to the public; or
- (C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

(a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware that

(i) a contract between the local governmental entity and vendor has been executed; or

or

(ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that:

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

(1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);

(2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or

(3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.

EXHIBIT E

Affidavit of Non-Collusion

[see attached]

AFFIDAVIT OF NON-COLLUSION

I hereby swear under penalty of perjury:

- 1. That I have submitted a bid to purchase that certain 23.707 acres of real property owned by College Station Independent School District ("CSISD") and located at the corner of Holleman Drive and Deacon W. Drive, on my own behalf or on behalf of an entity for which I am authorized to act.
- 2. That the bid I have submitted has been arrived at by the bidder independently, and has been submitted without collusion or agreement with any other bidder, CSISD, or representative of CSISD, and no benefit or enticement has been promised to bidder which has been designed to limit independent bidding or competition.
- 3. That the contents of the bid have not been communicated to any other potential bidder or a representative of a potential bidder, and will not be communicated to any other potential bidder or a representative of a potential bidder prior to the deadline for submission of bids.

BIDDER: BARRACKS EXPANSION LLC

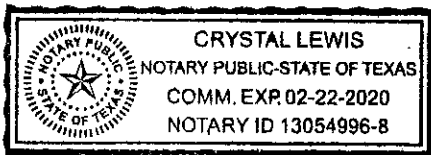
AFFIANT SIGNATURE: *[Handwritten Signature]*

AFFIANT PRINTED NAME: HEATH K PHILLIPS

If Bidder is an entity,
representative capacity
of Affiant: PRESIDENT

STATE OF TEXAS §
 §
COUNTY OF Brazos §

The foregoing instrument was acknowledged before me this 15th day of JUNE, 2016, by Heath K. Phillips, as Affiant.



[Handwritten Signature]
NOTARY PUBLIC, STATE OF TEXAS

EXHIBIT F

Felony Conviction Notice

[see attached]

FELONY CONVICTION NOTICE

Texas Education Code §44.034, Notification of Criminal History, Subsection (a), states "a person or business entity that enters into a contract with a school district must give advance notice to the district if the person or an owner or operator of the business entity has been convicted of a felony. The notice must include a general description of the conduct resulting in the conviction of a felony."

Texas Education Code §44.034, Notification of Criminal History, Subsection (b) states "a school district may terminate a contract with a person or business entity failed to give notice as required by subsection (a) or misrepresented the conduct resulting in the conviction. The school district must compensate the person or business entity for services performed before the termination of the contract."

This Notice is NOT required of a Publicly-Held Corporation.

I, the undersigned agent for the firm named below, certify that the information concerning notification of felony convictions has been reviewed by me and the following information furnished is true to the best of my knowledge. (Sign only below the applicable response, and provide details as appropriate.)

Vendor's Name: BARRACKS EXPANSION LLC

Authorized Company Official's Name (Printed) HEATH K PHILLIPS

A. My firm is a publicly held corporation; therefore, this reporting requirement is not applicable.

Signature of Company Official

B. My firm is not owned nor operated by anyone who has been convicted of a felony:

X 

Signature of Company Official

C. My firm is owned or operated by the following individual(s) who has/have been convicted of a felony:

Name of Felon (s): _____
Details of Conviction(s): _____

Signature of Company Official

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697



Carlos H. Cascos
Secretary of State

Office of the Secretary of State

**CERTIFICATE OF FILING
OF**

BARRACKS EXPANSION LLC
File Number: 802479569

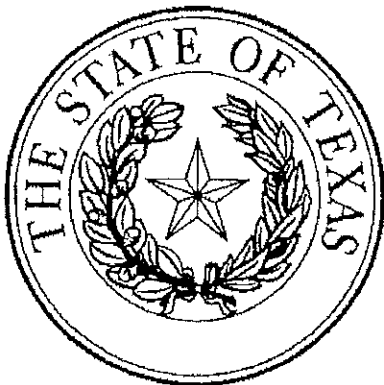
The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above named Domestic Limited Liability Company (LLC) has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

The issuance of this certificate does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 06/13/2016

Effective: 06/13/2016



A handwritten signature in black ink, appearing to read "Cascos".

Carlos H. Cascos
Secretary of State

COMPANY AGREEMENT

OF

BARRACKS EXPANSION LLC A Texas Limited Liability Company

This Company Agreement (this "**Agreement**") of Barracks Expansion LLC, a Texas limited liability company, executed to be effective as of June 13, 2016, is adopted, executed and agreed to by the sole Member (as defined below).

1. **Formation.** Barracks Expansion LLC (the "**Company**") has been organized as a Texas limited liability company under and pursuant to the Texas Business Organizations Code (the "**TBOC**").

2. **Sole Member.** Heath K. Phillips, a Texas resident, shall be the sole member of the Company (the "**Member**"). Upon the death of the Member, the personal representative of the Member's estate shall automatically be admitted as the Member.

3. **Contributions.** The Member has made an initial contribution to the capital of the Company in the amount of \$100.00. Without creating any rights in favor of any third party, the Member may, from time to time, make additional contributions of cash or property to the capital of the Company, but shall have no obligation to do so.

4. **Distributions.** The Member shall be entitled to (a) receive all distributions (including, without limitation, liquidating distributions) made by the Company, and (b) enjoy all other rights, benefits and interests in the Company.

5. **Single-Member Limited Liability Company for Tax Purposes.** The Member hereby states that it is his intention that the Company shall be treated as a disregarded entity for purposes of United States federal income tax laws, and further states that he will not take any position or make any election, in a tax return or otherwise, inconsistent herewith. In furtherance of the foregoing, the Company will file its results of operations as part of the Member's individual income tax return for each year for United States federal income tax purposes.

6. **Amendment of Agreement.** Any amendment or supplement to this Agreement shall only be effective if in writing and if the same shall be consented to and approved by the Member.

7. **Management.** The management of the Company is fully reserved to the Member, and the Company shall not have "managers" as that term is used in the TBOC. The powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the direction of, the Member, who shall make all decisions and take all actions for the Company.

8. Officers.

(a) The Member may, from time to time, designate one or more persons to be the officers of the Company. Any officers so designated shall have such authority and perform such duties as the Member may, from time to time, delegate to them. The Member may assign titles to particular officers. Unless the Member decides otherwise, if the title is one commonly used for officers of a for-profit corporation formed under the TBOC, the assignment of such title shall constitute the delegation to such officer of the authority and duties that are normally associated with that office. Each officer shall hold office until such officer's successor shall be duly designated and shall qualify or until such officer's death or until such officer shall resign or shall have been removed in the manner hereinafter provided. Any number of offices may be held by the same person. The salaries or other compensation, if any, of the officers and agents of the Company shall be fixed from time to time by the Member.

(b) Any officer may resign as such at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or if no time is specified, at the time of its receipt by the Member. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation. Any officer may be removed as such, either with or without cause, by the Member whenever in his judgment the best interests of the Company will be served thereby; provided, however, that such removal shall be without prejudice to the contract rights, if any, of the officer so removed. Designation of an officer shall not of itself create contract rights. Any vacancy occurring in any office of the Company may be filled by the Member.

9. Indemnification.

(a) The Company shall indemnify any person who was, is, or is threatened to be made a named defendant or respondent in a proceeding (as hereinafter defined) because the person (i) is or was a Member or officer of the Company or (ii) while a Member or officer of the Company, is or was serving at the request of the Company as a director, manager, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise, to the fullest extent that a limited liability company may grant indemnification to a member or officer under the TBOC, as the same exists or may hereafter be amended. Such right shall be a contract right and as such shall run to the benefit of any Member or officer who is elected and accepts the position of Member or officer of the Company or elects to continue to serve as a Member or officer of the Company while this Section 9 is in effect. Any repeal or amendment of this Section 9 shall be prospective only and shall not limit the rights of any such Member or officer or the obligations of the Company with respect to any claim arising from or related to the services of such Member or officer in any of the foregoing capacities prior to any such repeal or amendment of this Section 9. Such right shall include the right to be paid or reimbursed by the Company for expenses incurred in defending any such proceeding in advance of its final disposition to the maximum extent permitted under the TBOC, as the same exists or may hereafter be amended. If a claim for indemnification or advancement of expenses hereunder is not paid in full by the Company within 90 days after a written claim has been received by the Company, the claimant may at any time thereafter bring suit against the Company to recover the unpaid amount of the claim, and if successful in whole or in part, the

claimant shall be entitled to be paid also the expenses of prosecuting such claim. It shall be a defense to any such action that such indemnification or advancement of costs of defense are not permitted under the TBOC, but the burden of proving such defense shall be on the Company. Neither the failure of the Company (including its Members or any committee thereof or special legal counsel) to have made its determination prior to the commencement of such action that indemnification of, or advancement of costs of defense to, the claimant is permissible in the circumstances nor an actual determination by the Company (including its Members or any committee thereof or special legal counsel) that such indemnification or advancement is not permissible, shall be a defense to the action or create a presumption that such indemnification or advancement is not permissible. In the event of the death of any person having a right of indemnification under the foregoing provisions, such right shall inure to the benefit of his heirs, executors, administrators, and personal representatives. The rights conferred above shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, regulation, resolution of Members, agreement, or otherwise.

(b) The Company may additionally indemnify any person covered by the grant of mandatory indemnification contained above to such further extent as is permitted by law and may indemnify any other person to the fullest extent permitted by law.

(c) To the extent permitted by then applicable law, the grant of mandatory indemnification to any person pursuant to this Section 9 shall extend to proceedings involving the negligence of such person.

(d) The Company shall have no obligation to fund indemnification of any person to the extent the liability is covered by insurance. The Company's obligation to fund indemnification of any person shall commence only after all available insurance has been exhausted.

(e) As used herein, the term "**proceeding**" means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, arbitral, or investigative, any appeal in such an action, suit, or proceeding, and any inquiry or investigation that could lead to such an action, suit, or proceeding.

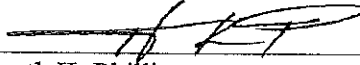
10. **Winding Up and Termination.** The Company shall be wound up and terminated at such time, if any, as the Member may elect. No other event will cause the Company to wind up and terminate.

11. **Governing Law.** THIS AGREEMENT IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS (EXCLUDING ITS CONFLICT OF LAWS RULES).

* * * * *

EXECUTED as of the day and year first written above.

SOLE MEMBER:



Heath K. Phillips

**CONSENT OF SOLE MEMBER
IN LIEU OF ORGANIZATIONAL MEETING
OF
BARRACKS EXPANSION LLC**

June 13, 2016

The undersigned, being the sole member named in the Certificate of Formation of Barracks Expansion LLC, a Texas limited liability company (the "**Company**"), hereby, pursuant to the provisions of Section 6.201 of the Texas Business Organizations Code, consents to and approves the following resolutions and each and every action effected thereby:

1. Certificate of Formation.

RESOLVED, that the Certificate of Formation that was submitted to, and reviewed by, the sole member of the Company and that has been filed in the office of the Secretary of State of the State of Texas on June 13, 2016, is approved, accepted, ratified, and adopted as the Company's Certificate of Formation.

RESOLVED FURTHER, that the President of the Company is directed to insert the Certificate of Formation and the Certificate of Filing issued by the Secretary of State of the State of Texas in the minute book of the Company.

2. Company Agreement.

RESOLVED, that the Company Agreement for the regulation and management of the affairs of the Company that was submitted to, reviewed by, and executed by the sole member of the Company is approved and adopted for and as the Company Agreement of the Company, and the President of the Company is directed to insert a copy of the Company Agreement in the minute book of the Company.

3. Minute Book.

RESOLVED, that (a) the minute book presented to the sole member of the Company is approved and adopted, and the action of the President in inserting in it the Certificate of Formation, the Certificate of Filing, and the Company Agreement is ratified and approved, and (b) the President is hereby directed to authenticate the minute book, to retain custody of it, and to insert therein minutes of any meeting and of other proceedings (or written waivers and consents to any member or other action) of the sole member of the Company and other appropriate records of the Company.

4. Election of Officers.

RESOLVED, that, pursuant to Section 8 of the Company Agreement, the following persons are elected to the office set forth opposite their respective names, to serve as such until such officer's successor is elected or appointed and qualified or, if earlier, until such officer's death, resignation, or removal from office:

Name	Office
Heath K. Phillips	President

5. Compensation of Officers.

RESOLVED, that until further action by the sole member of the Company, the officers of the Company shall serve as such without salary or other compensation.

6. Issuance of Membership Interests.

RESOLVED, that the Company issue 100% of the membership interests of the Company to Heath K. Phillips in exchange for \$100.00.

RESOLVED FURTHER, that following the issuance of such membership interests, they shall be duly issued, validly outstanding, fully paid and nonassessable.

7. Banking and Borrowing.

RESOLVED, that the Company establish such banking arrangements as from time to time become necessary, desirable or appropriate, including arrangements with respect to establishing and maintaining checking accounts and with respect to borrowing funds, and that the signature of the sole member of the Company at the bottom of the form of certificate of resolutions customarily required by any such banking institution authorizing such arrangements shall constitute and be construed as a unanimous written consent to the adoption of such resolutions by the sole member of the Company under the provisions of Section 6.201 the Texas Business Organizations Code, and that the President of the Company is hereby authorized to certify to such resolutions so signed by such sole member of the Company in such form as said banking institution may customarily require, and such resolutions so certified shall be deemed to be copied in the minute book as if set forth therein in full.

RESOLVED FURTHER, that the sole member of the Company is hereby authorized to borrow, from time to time, in the name and on behalf of the Company, such funds in such amounts from such persons or lending institutions as permitted by the Company Agreement.

RESOLVED FURTHER, that the signature of the sole member of the Company at the bottom of the form of certificate of resolutions customarily required by any such lenders authorizing such borrowing shall constitute and be construed as a unanimous written consent to the adoption of such resolutions by the sole member of the Company under the provisions of Section 6.201 of the Texas Business Organizations Code, and that the President of the Company is hereby authorized to certify to such resolutions so signed by such sole member of the Company in such form as said lender may customarily require, and such resolutions so certified shall be deemed to be copied in the minute book as if set forth therein in full.

8. Annual Meeting of Members.

RESOLVED, that an annual meeting of members of the Company may be held during each calendar year on such date and at such time as shall be designated from time to time by the members.

9. Organizational Expenses.

RESOLVED, that the appropriate officer of the Company be, and hereby is, authorized and directed to pay all charges and expenses incident to and necessary for the organization of the Company and to reimburse any person who has made any disbursement therefor.

10. Fiscal Year.

RESOLVED, that the fiscal year of the Company shall end on the last day of December of each year.

11. Qualification to Transact Business as a Foreign Limited Liability Company.

RESOLVED, that the appropriate officers of the Company are hereby authorized and directed to cause the Company to qualify as a foreign limited liability company in such jurisdictions as may be legally required by reason of the property owned, business conducted, or other activities effected by the Company in such jurisdictions now or at any time hereafter.

12. General Authorization.

RESOLVED, that the officers of the Company are hereby severally authorized (a) to sign, execute, certify to, verify, acknowledge, deliver, accept, file, and record any and all instruments and documents, and (b) to take, or cause to be taken, any and all such action, in the name and on behalf of the Company, as (in such officer's judgment) shall be necessary, desirable or appropriate in order to effect the purposes of the foregoing resolutions.

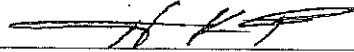
RESOLVED FURTHER, that any and all action taken by any officer or member of the Company prior to the date this Consent is actually executed in effecting the purposes of the foregoing resolutions is hereby ratified, approved, confirmed, and adopted in all respects.

13. Facsimile Signature.

RESOLVED, that this Consent may be transmitted via facsimile or other similar electronic means and executed by the undersigned, and a facsimile of the signature of the undersigned shall be deemed an original signature for all purposes and have the same force and effect as a manually-signed original.

* * * * *

EXECUTED to be effective as of the date first above written.



Heath K. Phillips, Sole Member

ORGANIZATIONAL CONSENT OF MEMBER OF
BARRACKS EXPANSION LLC



PROSPERITY BANK®

June 15, 2016

Heath Phillips, President
Heath Phillips Investments, LLC
4490 Castlegate Drive
College Station, Texas 77845

RE: Loan to purchase property in the South College Station area

Dear Mr. Phillips:

The purpose of this letter is to address your request for prequalification of a portfolio mortgage loan to purchase commercial property for future development in College Station, Texas. Based upon the financial and credit information you currently have on file with us, I have prequalified you for a loan of up to \$3,098,030.25. This qualification is based on a \$4,130,707 purchase price done under 15-year amortizing loan at 5.25% interest, with a loan amount up to a 75% LTV/LTC. As of the date of this letter, you have funds on deposit with our institution that are in excess of the cash necessary for the down payment on this transaction.

Please note that this prequalification letter does not constitute loan approval or a commitment to lend at any specified rate, fees, or term, as the bank may choose a different loan product (e.g. development loan on interest only) based upon the intended use of the property. You should also note that any adverse change in your financial position at the time of loan application may void this prequalification letter. Should you choose to seek formal approval of your request, we would need you to provide us with a formal loan application and a complete package of information on the property to be purchased, including but not limited to a copy of the purchase contract and a current survey.

This prequalification letter expires Friday, September 9, 2016. If you have any questions about the loan approval process or need any additional information from me, please do not hesitate to give me a call at (979) 690-4786.

Sincerely,

John A. Flynn II
Banking Center President
College Station – Tower Point Banking Center



Sealed
Land
Bid

RECEIVED
JUN 16 2016

9:05am

CSISD
BUSINESS OFFICE

ISSUER: B15AMALDON
BRANCH: 0020



033968

AMERICAN MOMENTUM BANK

REMITTER: DWS DEVELOPMENT INC.

DATE 6/15/16

PAY TO THE
ORDER OF

COLLEGE STATION INDEPENDENT SCHOOL DISTRICT

EXACTLY **10,000 AND 00/100 DOLLARS

\$ 10,000.00

CASHIER'S CHECK

THE PURCHASE OF AN INDEMNITY BOND WILL BE REQUIRED BEFORE ANY
CASHIER'S CHECK OF THIS BANK WILL BE REPLACED OR REFUNDED IN
THE EVENT IT IS LOST, MISPLACED OR STOLEN.

MEMO:

AUTHORIZED SIGNATURE

⑈0000033968⑈ ⑆063116025⑆ 0000075⑈



033968

AMERICAN MOMENTUM BANK

ISSUER: B15AMALDON
BRANCH: 0020

REMITTER: DWS DEVELOPMENT INC.

DATE 6/15/16

COLLEGE STATION INDEPENDENT SCHOOL DISTRICT

EXACTLY **10,000 AND 00/100 DOLLARS

\$ 10,000.00

CUSTOMER - FILE COPY

CASHIER'S CHECK

MEMO:

AUTHORIZED SIGNATURE

NOT NEGOTIABLE

College Station Independent School District
1812 Welsh, College Station, Texas 77840

BID FORM

Property: Approximately 23.707 acres of land located at southeastern corner of the intersection of Holleman Drive and Deacon W. Drive, College Station, Texas, as described on Exhibit A attached hereto

Bidder's Name: DWS Development Inc.
(David Scarmardo)

Bidder's Address: P.O. Box 4508
Bryan, TX 77805

Bidder's Phone: 979-412-1386

Bidder's Email: david@dwsdevelopment.com

A completed bid should be placed in an envelope marked "SEALED LAND BID" and submitted to the **CSISD Business Office** by **10:00 AM CDT, June 16, 2016**. The contents of a complete bid will include the following:

- Completed Bid Form
- Conflict of Interest Questionnaire (Exhibit D)
- Affidavit of Non-Collusion (Exhibit E)
- Felony Conviction Notice (Exhibit F)
- Evidence of financial ability to pay the Purchase Price (if so elected)
- Bid Deposit (Cashier's Check to CSISD in amount of \$10,000.00)

Please note that the Cashier's Check will be returned if the bid is not selected.

In submitting this bid, I certify as follows:

1. The price offered in this Bid has been determined independently, without consultation, communication, or agreement for the purpose of restricting competition, as to any matter related to such price, with any other bidder or with any competitor.
2. I have read each of the Bid documents outlined in the RFB and agree to abide by the terms and conditions thereof.
3. I am familiar with the location and characteristics of the Property.

College Station Independent School District
1812 Welsh, College Station, Texas 77840

BID FORM (Page 2)

Property: Approximately 23.707 acres of land located at southeastern corner of the intersection of Holleman Drive and Deacon W. Drive, College Station, Texas, as described on Exhibit A attached hereto

Bidder's Name: DWS Development, Inc.

Purchase Price

The purchase price herein offered for the Property as herein described is:

\$ 3,356,900.00, to be paid in cash at the Closing of the sale of the Property.

Duration of Offer

Bidder hereby warrants that the bid constitutes a bona fide, firm, and irrevocable offer to purchase the real property herein described. Bidder recognizes that all bids received in conformity with the bid specifications and instructions will be evaluated by the Board of School Trustees of College Station Independent School District. Bidder further warrants that such offer shall be irrevocable until the later of (i) July 31, 2016, or (ii) forty-five (45) days after the Bid Deadline if the Bid Deadline is extended or otherwise revised by CSISD.

Contract

The bidder agrees to enter a contract with CSISD for the purchase of the property at the above-referenced Total Purchase Price under the terms of the form of contract attached hereto as Exhibit B. In the event the bidder desires to alter any of the terms of the form contract provided herein, Bidder may list proposed changes to be considered by CSISD on the following lines (or on additional pages if needed):

Bidder has received and read the instructions accompanying this bid.

Bidder: DWS Development, Inc
By: David Scarmardo
Name: David Scarmardo
Title: President

DATED: this 15 day of June, 2016

EXHIBIT D

Conflict of Interest Questionnaire - N/A

Pursuant to Section 176.006, a vendor must file a questionnaire if the vendor has a business relationship with a school district and has an employment or other business relationship with the superintendent, board member, or a family member of the superintendent or board member; or has given the superintendent or family member of the superintendent or school board member one or more gifts [other than political contributions, food, lodging, transportation, or entertainment accepted as a guest] that have an aggregate value of \$250. The completed questionnaire must be filed with the records administrator of the school district not later than the seventh business day after the later of the date the vendor begins discussions or negotiations to enter into a contract with the school district or submits to the school an application, bid, an RFB, or other written material related to a potential contract with the school district or the date the vendor becomes aware of an employment or other business relationship with the superintendent, board member, or family member of the superintendent or school board member or that the vendor has given one or more gifts to the superintendent, board member, or family member of the superintendent or school board member that have an aggregate value of \$250.

N/A

CONFLICT OF INTEREST QUESTIONNAIRE For vendor doing business with local governmental entity		FORM CIQ
<p>This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.</p> <p>This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).</p> <p>By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.</p> <p>A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.</p>	OFFICE USE ONLY	
1 Name of vendor who has a business relationship with local governmental entity.	Date Received	
2 <input type="checkbox"/> Check this box if you are filing an update to a previously filed questionnaire. (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)		
3 Name of local government officer about whom the information is being disclosed.		
_____ Name of Officer		
4 Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.		
<p>A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?</p> <p style="text-align: center;"> <input type="checkbox"/> Yes <input type="checkbox"/> No </p> <p>B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?</p> <p style="text-align: center;"> <input type="checkbox"/> Yes <input type="checkbox"/> No </p>		
5 Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.		
6 <input type="checkbox"/> Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).		
7		
_____ Signature of vendor doing business with the governmental entity		_____ Date

NA

CONFLICT OF INTEREST QUESTIONNAIRE
For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm>. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

- (A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;
- (B) a transaction conducted at a price and subject to terms available to the public; or
- (C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

(a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware that

- (i) a contract between the local governmental entity and vendor has been executed;
- or
- (ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that:

- (i) a contract between the local governmental entity and vendor has been executed; or
- (ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

- (1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);
- (2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or
- (3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

- (A) begins discussions or negotiations to enter into a contract with the local governmental entity; or
- (B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

- (A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);
- (B) that the vendor has given one or more gifts described by Subsection (a); or
- (C) of a family relationship with a local government officer.

EXHIBIT E

Affidavit of Non-Collusion

[see attached]

AFFIDAVIT OF NON-COLLUSION

I hereby swear under penalty of perjury:

1. That I have submitted a bid to purchase that certain 23.707 acres of real property owned by College Station Independent School District ("CSISD") and located at the corner of Holleman Drive and Deacon W. Drive, on my own behalf or on behalf of an entity for which I am authorized to act.

2. That the bid I have submitted has been arrived at by the bidder independently, and has been submitted without collusion or agreement with any other bidder, CSISD, or representative of CSISD, and no benefit or enticement has been promised to bidder which has been designed to limit independent bidding or competition.

3. That the contents of the bid have not been communicated to any other potential bidder or a representative of a potential bidder, and will not be communicated to any other potential bidder or a representative of a potential bidder prior to the deadline for submission of bids.

BIDDER: DWS Development Inc

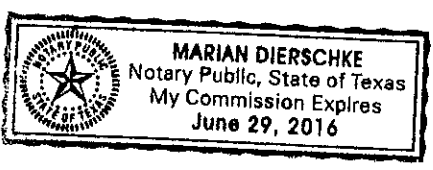
AFFIANT SIGNATURE: David Scarmardo

AFFIANT PRINTED NAME: David Scarmardo

If Bidder is an entity, representative capacity of Affiant: President

STATE OF TEXAS §
COUNTY OF Brazos §

The foregoing instrument was acknowledged before me this 15th day of June, 2016, by David Scarmardo, as Affiant.



Marian Dierschke
NOTARY PUBLIC, STATE OF TEXAS

EXHIBIT F

Felony Conviction Notice

[see attached]

FELONY CONVICTION NOTICE

Texas Education Code §44.034, Notification of Criminal History, Subsection (a), states "a person or business entity that enters into a contract with a school district must give advance notice to the district if the person or an owner or operator of the business entity has been convicted of a felony. The notice must include a general description of the conduct resulting in the conviction of a felony."

Texas Education Code §44.034, Notification of Criminal History, Subsection (b) states "a school district may terminate a contract with a person or business entity failed to give notice as required by subsection (a) or misrepresented the conduct resulting in the conviction. The school district must compensate the person or business entity for services performed before the termination of the contract."

This Notice is NOT required of a Publicly-Held Corporation.

I, the undersigned agent for the firm named below, certify that the information concerning notification of felony convictions has been reviewed by me and the following information furnished is true to the best of my knowledge. (Sign only below the applicable response, and provide details as appropriate.)

Vendor's Name: DWS Development, Inc

Authorized Company Official's Name (Printed) David Scarmardo

A. My firm is a publicly held corporation; therefore, this reporting requirement is not applicable.

Signature of Company Official

B. My firm is not owned nor operated by anyone who has been convicted of a felony.

David Scarmardo X

Signature of Company Official

C. My firm is owned or operated by the following individual(s) who has/have been convicted of a felony:

Name of Felon (s): _____

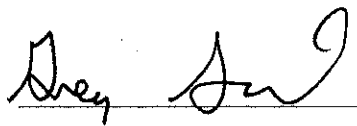
Details of Conviction(s): _____

Signature of Company Official

CERTIFICATE OF AUTHORITY

DWS DEVELOPMENT, INC.

I, Greg Scarmardo, Director and Vice President of DWS Development Inc., a Texas Corporation, do hereby certify that David Scarmardo is President and Director of DWS Development Inc., and as such is empowered and authorized to sign any document on behalf of DWS Development Inc.

A handwritten signature in black ink, appearing to read "Greg Scarmardo", written over a horizontal line.

GREG SCARMARDO, Director